GOVERNMENT OF INDIA
CIVIL AVIATION
LOK SABHA

UNSTARRED QUESTION NO:3061
ANSWERED ON:09.12.2002
REDUCTION IN FARES
RENUKA CHOWDHURY;SUSHIL KUMAR SAMBHAJIRAO SHINDE

Will the Minister of CIVIL AVIATION be pleased to state:

(a) whether recently there ensued a cut throat competition for offering reduced fares for air-journey on various popular routes;

(b) if so, the percentage of fare that the Indian Airlines and Air India had to undercut indicating comparative figures of fare-cuts offered by different private airlines during July to October 2002; and

(c) the extent to which it helped to make good the loss being suffered due to vacant seats?

Answer

MINISTER OF STATE IN THE MINISTRY OF CIVIL AVIATION (SHRI SHRIPAD YESSO NAIK)

(a),(b)and (c) :- No, Sir. In response to market requirements, Indian Airlines introduces Promotional Fares on its domestic network from time to time. The level of fare reduction varies from sector to sector and season to season depending on various market factors. Indian Airliens has introduced the `APEX Fares` scheme from Ist August to 31stOctober, 2002, which has been extended upto 31st March, 2003. The fare component in Apex fares are lower by 12% to 64% over the normal fare component. Jet Airways also offers `APEX fares` and their fares are also in the same range. Promotional fares have helped in increasing the seat factor of Indian Airlines by 2% & 6% during the month of September & October, 2002 respectively as compared to the corresponding months in the last year. During July to October, 2002 period, Air India has not cut any filed fares.